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RUEHEG/AMEMBASSY CAIRO 3265
RUEHTV/AMEMBASSY TEL AVIV 0678
RUEHJM/AMCONSUL JERUSALEM 4541
RUEHDM/AMEMBASSY DAMASCUS 3641
RUEHRH/AMEMBASSY RIYADH 1799
RUEHGB/AMEMBASSY BAGHDAD 5284
RUEHJI/AMCONSUL JEDDAH 0768

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SUBJECT: Water Update in Jordan

Refs: A) AMMAN 2562; B) AMMAN 638; C) 06 AMMAN 8959; D) 06 AMMAN 8401

¶11. (SBU) Summary: Rainfall close to long-term averages over the last year in Jordan has helped ease water shortages, at least in the short-run. Miyahuna, the new privately-run water company in Amman, expects water consumption in the city to grow by 8 percent annually, meaning 20,000 or more new connections a year. Miyahuna is focused on a long-term strategy for investing in the city's water infrastructure and supplying water to its 2.6 million customers.
End Summary.

Water Storage and Rainfall in Jordan

¶12. (U) As of April 15 the portion of Jordan's water supply stored in reservoirs stood at 135 million cubic meters (MCM), only 41 percent of total capacity, but up from the 122 MCM total in February 2007. In particular, water reserves in the Al Wehdah (Unity) Dam on the Yarmouk River (total capacity is 110 MCM) modestly increased from 3 MCM in February 2007 to 11 MCM in April 2007 (Ref B). Cumulative average rainfall for Jordan as of the end of May 2007 was 238 millimeters, 91 percent of the long-term average. This represents an improvement over last year's total rainfall amount, but not as good as the wet 2004-2005 rain season.

New Water Management in Amman

¶13. (SBU) A new water company for Amman, Miyahuna, was launched in July 2007 as a limited liability corporation. Jose Valdez, the Chief of Party for the Amman Water Management/Commercialization Assessment, noted in July 9 discussions with Econoffs that the company had progressed from being a solely government-run entity prior to 1999, to a joint venture management contract company from 1999-2006, to the current structure of being privately operated but government-owned. Highlighting Miyahuna's new focus on a long-term strategy, he commented that the company can now use collected revenues for reinvestment in assets, instead of turning them over to the Government of Jordan.

¶14. (SBU) Valdez noted that the Water Authority of Jordan (WAJ) is still responsible for large projects, such as building dams, reservoirs, large pipes, and the sewage system, but Miyahuna controls the maintenance, operation, and small expansions of Amman's water system. Miyahuna purchases all the water from WAJ. Given

that the GOJ continues to regulate the price of the water, he said Miyahuna does not control the prices it charges customers.

Improving Amman's Water Supply

15. (SBU) Currently, water is only pumped to homes in Amman once a week, and customers must fill up their water tanks to last until the next delivery. Several customers have expressed frustration with the Jordanian water supply system, complaining of bacteria accumulating in tanks, water shortages, and potential loss of water from a leaky faucet.

16. (SBU) With an expected 8 percent growth in water consumption annually in Amman, Valdez suggested that many changes had to take place in order to ensure a sufficient supply of water to the city. One of the main goals of the new company is to reduce water losses from 43 percent to 32 percent over the next five years. Valdez said that the main causes of this water loss are theft from illegal connections and siphoning, but there is also a significant number of leaky and faulty pipes. He said the new company is attempting to fix these problems by dividing Amman into 44 zones and 330 districts and tackling each district individually, beginning with the heaviest water consumption areas.

17. (SBU) According to Valdez, investment totaling JD 137 million (\$196M) would be needed to renovate the water network, eliminate inefficiencies, and reduce water loss. He said that the company would invest JD 80 million (\$115M) in this program over the next five years, but would require additional donor financing to create a high-quality system. He noted that USAID is providing much of the technical assistance for this rehabilitation program (Ref D).

18. (SBU) Valdez added that having a continuously flowing water supply, versus the current weekly delivery system, would help identify water loss areas. It would also reduce illness, in his view, by providing a fresh supply, less prone to harbor bacteria. COMMENT: The current system does, however, promote water conservation habits in Jordan, where average water consumption per person is 21 gallons per day compared to some 100 gallons per day in the United States. END COMMENT.

19. (SBU) Valdez briefly discussed potential options for new water sources for the city, including the Disi Aquifer and the Red-Dead Project (Refs A, C). He noted that the Disi Aquifer offered a short term solution, but that the Red-Dead project was needed for sustainable drinking water supplies, as well as electrical and agricultural needs. NOTE: Press reported on June 26, 2007 that eleven firms have qualified to submit proposals for a feasibility study for the Red-Dead project. End Note.

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